

**CITY OF EL PASO, TEXAS  
AGENDA ITEM  
DEPARTMENT HEAD'S SUMMARY FORM**

**DEPARTMENT:** City Manager, Financial Services and Administrative Support

**AGENDA DATE:** Tuesday, July 12, 2011

**CONTACT PERSON NAME AND PHONE NUMBER:** William F. Studer, Deputy City Manager, 541-4215

**DISTRICT(S) AFFECTED:** All

**SUBJECT:**

Presentation of FY 2012 Proposed Budget.

**BACKGROUND / DISCUSSION:**

Presentation of FY 2012 Proposed Budget.

**PRIOR COUNCIL ACTION:**

Yes, conducted in July 2010 for the FY 2011 Proposed Budget.

**AMOUNT AND SOURCE OF FUNDING:**

N/A

**BOARD / COMMISSION ACTION:**

N/A

CITY CLERK DEPT.  
2011 JUL -5 AM 11:11

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\*\*\*\*\*REQUIRED AUTHORIZATION\*\*\*\*\*

**DEPARTMENT HEAD:**

(If Department Head Summary Form is initiated by Purchasing, client department should sign also)

*Information copy to appropriate Deputy City Manager*

S E R V I C E   S O L U T I O N S   S U C C E S S



CITY OF EL PASO : JOYCE WILSON, CITY MANAGER



## Brief History

- Growing demand for services and infrastructure/revenues not keeping pace
- Past 3 years, budget flat or declining
- Cut overhead, 4/10 alternate schedule, delayed salary increases
- Added more services and facilities
- Funded Mass Transit Capital plans with General Fund supported debt
- Economic Development incentives (380 rebates)
- Transportation TRZ
- Doing more with less



## FY 2012 Proposed Budget

### All Funds Budget

FY 2011	\$693,060,094
FY 2012	\$706,686,164
Percentage Increase	1.97%

### General Fund Budget

FY 2011	\$315,549,465
FY 2012	\$321,293,653
Percentage Increase	1.82%



# FY 2012 Proposed Budget

## All Funds Summary

<i>Character</i>	<i>Adopted FY10</i>	<i>Adopted FY11</i>	<i>City Mgr's Proposed FY12</i>	<i>Difference FY11/12</i>
PERSONAL SERVICES	330,245,480	341,832,223	344,205,066	0.69%
CONTRACTUAL SERVICES	108,254,877	112,440,494	116,603,230	3.70%
MATERIALS AND SUPPLIES	44,851,094	45,010,875	48,111,273	6.89%
OPERATING EXPENDITURES	46,978,405	44,123,782	37,547,804	-14.90%
NON - OPERATING EXPENDITURES	90,089,915	94,099,704	106,755,986	13.45%
INTERGOVERNMENTAL EXPENDITURES	3,941,217	2,421,593	3,246,244	34.05%
OTHER USES	31,202,439	30,726,096	33,160,239	7.92%
CAPITAL OUTLAY	18,338,980	22,405,527	17,056,323	-23.87%
<b><i>Grand Total</i></b>	<b><u>673,902,407</u></b>	<b><u>693,060,294</u></b>	<b><u>706,686,164</u></b>	<b><u>1.97%</u></b>



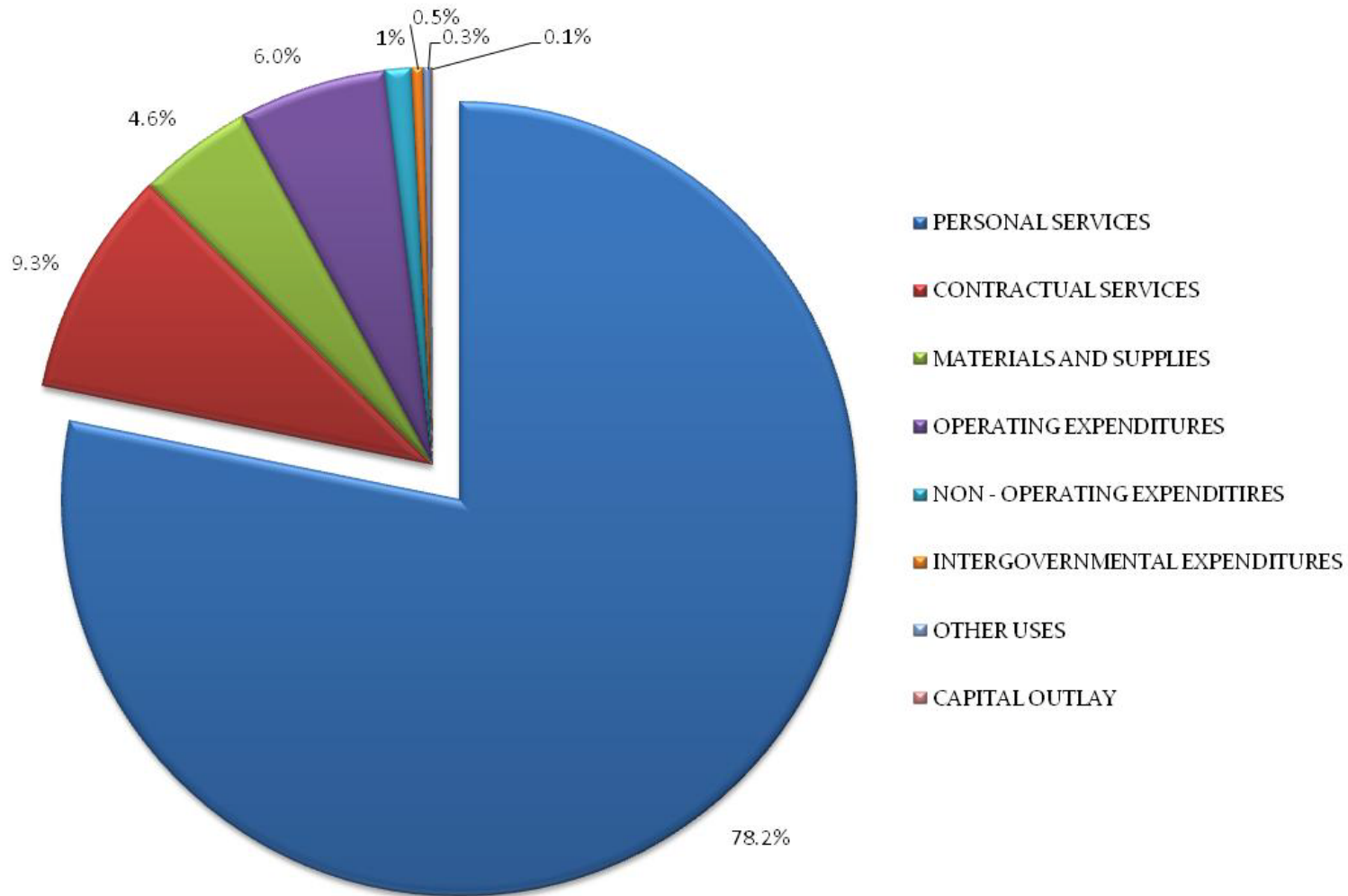
# FY 2012 Proposed Budget

## General Fund Summary

<i>Character</i>	<i>Adopted FY10</i>	<i>Adopted FY11</i>	<i>City Mgr's Proposed FY12</i>	<i>Difference FY11/12</i>
PERSONAL SERVICES	245,388,489	250,211,932	251,350,225	0.45%
CONTRACTUAL SERVICES	28,218,039	27,405,560	29,743,144	8.53%
MATERIALS AND SUPPLIES	13,014,972	13,074,311	14,919,679	14.11%
OPERATING EXPENDITURES	22,797,525	20,635,985	19,169,929	-7.10%
NON - OPERATING EXPENDITURES	1,325,697	2,557,953	3,479,589	36.03%
INTERGOVERNMENTAL EXPENDITURES	1,472,597	1,563,236	1,511,938	-3.28%
OTHER USES	37,400	37,400	956,150	2456.55%
CAPITAL OUTLAY	0	63,088	163,000	158.37%
<b><i>Grand Total</i></b>	<b><u>312,254,719</u></b>	<b><u>315,549,465</u></b>	<b><u>321,293,653</u></b>	<b><u>1.82%</u></b>



# FY 2012 Proposed General Fund Budget by Character





## FY 2012 Proposed FTE

### Adopted FY 2011

All Funds	6,202.88
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### Proposed FY 2012

All Funds	6,279.50
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Variance	76.62
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### Variance due to:

- Library's BTOP grant
- Environmental Services and Sun Metro service enhancements



# Department Summary



## FY 2012 Proposed All Funds Budget

Department	Adopted Budget FY2011	Proposed Budget FY2012	Adopted/ Proposed Variance
Aviation	37,972,778	37,683,420	(289,358)
City Attorney	4,389,906	4,439,901	49,995
City Manager	2,789,482	2,877,153	87,671
Community & Human Development	17,009,514	16,984,725	(24,789)
Convention and Performing Arts Center	11,673,575	7,828,575	(3,845,000)
Department of Transportation	15,837,789	16,657,915	820,126
Engineering & Construction Management	6,980,148	7,502,826	522,678
Environmental Services	52,263,565	53,921,311	1,657,746
Financial Services	3,134,996	3,438,235	303,239
Fire	89,487,355	92,545,569	3,058,214
General Services	43,071,291	42,734,095	(337,196)
Human Resources	2,415,159	2,464,575	49,416
Information Technology	11,024,545	12,888,990	1,864,445
International Bridges	16,253,992	17,625,750	1,371,758
Library	8,797,540	8,265,111	(532,429)
Mass Transit - Sun Metro	58,413,333	61,093,815	2,680,482
Mayor & Council	1,293,165	1,263,038	(30,127)
Metropolitan Planning Office	1,560,489	1,713,022	152,533
Municipal Clerk	5,914,461	5,700,109	(214,352)
Museums and Cultural Affairs	3,796,425	4,177,003	380,578
Non-Departmental	135,700,300	145,197,359	9,497,059
Parks & Recreation	11,890,271	12,119,147	228,876
Planning & Economic Development	4,515,232	4,826,764	311,532
Police	114,640,434	115,510,446	870,012
Public Health	21,604,918	19,297,521	(2,307,397)
Tax	4,377,609	1,548,970	(2,828,639)
Zoo	6,252,022	6,380,819	128,797
<b>Department Totals</b>	<b>693,060,294</b>	<b>706,686,164</b>	<b>13,625,870</b>



# Department Summary

FY 2012  
Proposed  
General  
Fund  
Budget

Department	Adopted Budget FY2011	Proposed Budget FY2012	Adopted/ Proposed Variance
City Attorney	4,041,961	4,094,152	52,191
City Manager	2,789,482	2,877,153	87,671
Community Development	537,090	527,398	(9,692)
Department of Transportation	12,787,409	12,904,395	116,986
Engineering & Construction Mgmt	6,980,148	7,502,826	522,678
Environmental Services	475,791	2,530,092	2,054,301
Financial Services	2,900,274	3,164,108	263,834
Fire	85,020,432	88,960,848	3,940,416
General Services	25,079,141	25,325,292	246,151
Human Resources	1,819,270	1,862,805	43,535
Information Technology	10,393,075	11,522,240	1,129,165
Library	8,131,724	8,129,542	(2,182)
Mayor & Council	1,293,165	1,263,038	(30,127)
Municipal Clerk	4,997,461	4,728,609	(268,852)
Museums and Cultural Affairs Dept	2,201,784	2,263,041	61,257
Non-Departmental	6,712,381	7,648,320	935,939
Parks & Recreation	11,483,595	11,790,471	306,876
Planning & Economic Development	3,745,043	3,606,124	(138,919)
Police	107,934,125	109,531,942	1,597,817
Public Health	8,335,493	5,937,669	(2,397,824)
Tax	4,377,609	1,548,970	(2,828,639)
Zoo	3,513,012	3,574,618	61,606
<b>Department Totals</b>	<b>315,549,465</b>	<b>321,293,653</b>	<b>5,744,188</b>



# Budget Highlights:

## Economic Growth & Vitality

- Decrease in operations & management/salary savings
- Incentive rebates increase from \$471,000 to \$933,000
- Focus on Airport real estate development
- Project ARRIBA \$275,264
- REDCO/attribution support \$100,000
- Renewed attention to small business support
- Improve customer service & timely response
- Adopt Comprehensive Plan
- Restructure development fees
- Expanded focus on downtown via DMD





# Budget Highlights:

## Environmental Sustainability

- Merge Animal Services w/Code Compliance
- Create a Vacant Building Task Force
- Increase Code Compliance to schedule weekend and evening coverage
- Expand sustainability efforts
  - Carpool & bike pool options
  - Targeted reduction in motor pool use
  - No Idling Policy
  - Free/Discounted transit on high ozone days
  - More education and outreach
  - Expand recycling, including new mulching initiative



## Budget Highlights:

### Environmental Sustainability - continued

- Green building focus for existing structures
- Budget for demolition and asbestos abatement
- Fee Increase
  - \$ 0.50 residential monthly
  - \$1.00 commercial monthly
  - \$8.00/load landfill fee





# Budget Highlights:

## Health & Safety

### Fire

- 311 Communications Center (full year)
- New fire station (#31) opening
- 19 new firefighter positions to support new station
- Inflationary increases
- Capital replacement
- Adjust ambulance fees to account for Medicare/Medicaid changes
- Implement recovery of insurance charges available but not being billed



## **Police**

- Two academies
  - 50/July 2011
  - 25/March 2012
- Implement MGT Review findings & recommendations
  - Increase solo unit patrols/all shifts
  - Adjust staffing schedules w/peak activity (retain 4/10 shifts)
  - Use transport officers or service to reduce officers booking and arrest processing time
  - Expand use and hours of report taking system
  - Reduce number of officers required for court cases



## **Police - continued**

- Establish goals and metrics for additional staffing
  - 60/20/20 – (reactive/proactive/admin)
  - Response time standard
- Add 98 officers over 3 years to achieve target metrics
- Reduce administrative overhead

## **Health**

- Shift focus w/transfer of Animal Services
- Collaborate to enhance primary care and family planning services





## Health - continued

- Increase immunization rates
- Establish and maintain baseline public health data
- Implement healthy living incentives
- Become lead public health resource for region





# Budget Highlights: Mobility Services

## **Sun Metro**

- No fee increase
- New services
- Expanded marketing and sales outreach
- Priority is Rapid Transit System (RTS)

## **International Bridges**

- Implement Operations Study Recommendations
- Develop funding plan for short term capital investments
- RFP for concession services
- Parking Plan implementation



## **Aviation**

- Air Service Development, airfield, capital improvements, car rental facility improvements
- New economic development strategy for real estate development
- Foreign Trade Zone Strategic Plan

## **Department of Transportation**

- Additional funding for maintenance efforts
- Parking Plan implementation
- Next Phase Neighborhood Traffic Management Program



## Budget Highlights: Community Services

- Level funding
- No new services
- Restore previous cuts to parks maintenance
- Cuts to CDBG and HOME Programs
- Potential cuts to Retired Senior Volunteer Program
- Need to address funding for materials and equipment



# Budget Highlights: Information Technology

- Joint City/County Management
- Major capital plan
  - Data Center
  - Network Upgrades
  - VoIP
  - Enterprise Resource Program
  - Website Overhaul
- Significant Budget Increase
  - Consolidate licenses fees
  - Full staffing
  - Project management costs
  - Run parallel systems during transition





## Budget Highlights: Employee Compensation & Benefits

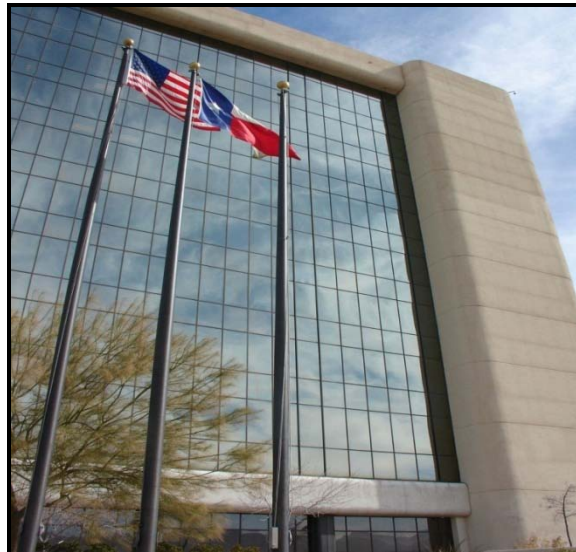
- New 2<sup>nd</sup> tier for pension plan
- Changes to Health Benefits Plan
  - Consumer Driven Health Plan
  - Medicare Advantage Plan for retirees
  - Eligibility after 30 hours
  - Wellness Initiative
- Delay step increases to 4<sup>th</sup> Quarter
- Maintain 4/10 Alternative Schedule





# Budget Highlights: Performance Management Program

- Performance Based Budgeting
- System wide review of regulations
- Process mapping of all key activities





# Budget Highlights: Innovations & Service Enhancements

- Professional Development Leadership Team
  - Internal communications
  - Policies and procedures
  - Employee recognition
  - Networking and Professional Development
  - City Attorney roundtable
- Think Tank
  - First Contact Small Business Assistance Center
  - Streamline recruitment process
  - Centralized mail & digitized signatures





# FY 2012 Preliminary Property Tax Rate

## Adopted FY 2011 Tax Rate:

Operations and Maintenance Rate	\$0.4284/\$100
Debt Services Rate	<u>\$0.2253/\$100</u>
<b>Adopted Rate</b>	<b>\$0.6537/\$100</b>

## Proposed FY 2012 Tax Rate:

Operations and Maintenance Rate	\$0.4253/\$100
Debt Service Rate	<u>\$0.2284/\$100</u>
<b>Proposed Tax Rate</b>	<b>\$0.6537/\$100</b>

Preliminary Effective Tax Rate	\$0.6349/\$100
Preliminary Effective O&M Tax Rate	\$0.4296/\$100

Variance (\$0.0043)



## FY 2012 Debt Service

- Debt Service Requirement\* - \$69.7 million
  - Increase of \$2.4 million from FY 2011

Primarily due to:

- 2009 COs issuance
- 2010 COs issuance

\*Note: Only represents tax supported debt.



# FY 2012 Proposed All Funds Revenue

<i>Revenue Source</i>	<i>Adopted FY10</i>	<i>Adopted FY11</i>	<i>City Mgr's Proposed FY12</i>	<i>Difference FY11/12</i>
TAXES	\$307,866,961	\$317,866,738	\$328,263,991	3.27%
FRANCHISES	\$60,562,865	\$60,743,183	\$60,888,442	0.24%
SERVICE REVENUES	\$103,668,388	\$108,589,548	\$109,336,184	0.69%
OPERATING REVENUES	\$105,272,042	\$111,599,532	\$110,301,502	-1.16%
NON-OPERATING REVENUES	\$17,429,619	\$16,380,474	\$18,197,604	11.09%
INTERGOVERNMENTAL REVENUES	\$37,847,979	\$40,836,314	\$36,979,163	-9.45%
TRANSFERS IN	\$41,254,553	\$37,044,505	\$42,719,278	15.32%
<b><i>Grand Total</i></b>	<b><u>\$673,902,407</u></b>	<b><u>\$693,060,294</u></b>	<b><u>\$706,686,164</u></b>	<b><u>1.97%</u></b>



# FY 2012 Proposed General Fund Revenue

<i>Revenue Source</i>	<i>Adopted FY10</i>	<i>Adopted FY11</i>	<i>City Mgr's Proposed FY12</i>	<i>Difference FY11/12</i>
TAXES	\$198,289,408	\$203,204,251	\$207,704,934	2.21%
FRANCHISES	\$43,088,342	\$43,937,625	\$42,632,835	-2.97%
SERVICE REVENUES	\$10,257,953	\$13,292,377	\$12,759,958	-4.01%
OPERATING REVENUES	\$28,173,143	\$27,667,089	\$30,020,336	8.51%
NON-OPERATING REVENUES	\$5,750,840	\$4,711,725	\$4,198,804	-10.89%
INTERGOVERNMENTAL REVENUES	\$3,344,125	\$2,131,607	\$2,340,227	9.79%
TRANSFERS IN	\$23,350,908	\$20,604,791	\$21,636,559	5.01%
<b><i>Grand Total</i></b>	<b><u>\$312,254,719</u></b>	<b><u>\$315,549,465</u></b>	<b><u>\$321,293,653</u></b>	<b><u>1.82%</u></b>



# General Fund Revenue Highlights

- Taxes - \$4.5 million or 2.21%
  - Increase Property Tax - \$1.8 million to fund public safety obligations
  - Increase in Sales Tax – includes a 3.9% increase for current economic growth
- Franchises – (\$1.3 million) or -2.97%
  - Decrease in AT&T of \$831,201
  - Decreases for Texas Gas and ONEOK of \$879,309 due to stabilizing prices
- Service Revenue – (\$532,419) or -4.01%
  - Decrease due to reduction in ambulance revenue



## General Fund Revenue Highlights

- Operating Revenue – \$2.5 million or 8.51%
  - Increase in judicial fines and permit revenues
  - Increase in indirect cost recovery from new grants
- Non-Operating Revenue – (\$512,921) or -10.89%
  - Decrease in investment earning due to anemic market returns
- Intergovernmental – \$208,620 or 9.79%
  - Increase in per parcel fee charged to taxing entities for tax collection efforts
- Transfers In - \$1 million or 5.01%
  - Increase in southbound international bridge crossings revenue



# Budget Highlights: Acknowledgements

- OMB Leadership and Staff
- City Manager's Office
- Department Management
- City Employees